



May 27, 2003

**MEMORANDUM**

TO: Mr. Dalton Floyd, Jr., Chairman and Members, Commission on Higher Education

FROM: Ms. Dianne Chinnes, Chairman, Committee on Academic Affairs and Licensing

**Reconsideration of Request for Amendment of License**  
**Troy State University, Troy, AL, at Sumter, Main Street location, to**  
**add a B.S. in Management**

**Summary**

Troy State University (TSU) <<http://www.troyst.edu/>> requests reconsideration of an amendment to add a program leading to a B.S. in Management (B.S.M.) to be offered in Sumter at its Main Street site. At its meeting on May 1, 2003, the Commission approved an amendment for TSU to offer the program at Bosch Braking Systems in Sumter. Enrollment is limited to employees of Bosch, other employees of Sumter Industrial Park businesses, and employees of Caterpillar, Inc. The request to offer the program at its Main Street, Sumter location was deferred until the June 5, 2003, Commission meeting. Prior to that meeting, TSU officials will make a presentation to the Committee to address the issues of quality and resources. The April 30, 2003, memorandum to the Committee describing the program is attached.

The staff has prepared some background information as described below for your review prior to the meeting on June 5.

At the April 30, 2003, Committee meeting Dr. Les Carpenter objected to the request of TSU on the basis of the quality of the program, lack of library resources, lack of AACSB accreditation, and competition with the USC-Aiken at USC-Sumter program leading to the B.S. in Business Administration. According to Dr. Niren Vyas, Chairman of the School of Business Administration at USC-Aiken, USC-Aiken has 60 junior- and

senior-level students in the business program at USC-Sumter. All of the business courses are offered in the evening. In addition, 93 students enrolled at USC-Sumter (freshmen and sophomore year students taking general education courses) are declared business majors. Saint Leo University and Embry-Riddle Aviation University also have undergraduate programs at Shaw Air Force Base.

Regarding the issue of quality, the Southern Association of Colleges and Schools (SACS) accredits TSU; the TSU program leading to the B.S. in Management is a traditional curriculum in that it includes courses in general education, business, management, and related topics; the faculty who teach hold appropriate credentials from accredited institutions; the institution has in place adequate staffing, student support, equipment, and facilities to support the programs it offers. Computer labs with state-of-the-art computers are available for student use and seminar classes. A state-of-the-art video conferencing (VTC) system provides access to faculty “live” from other sites for instruction, training and faculty advising.

The Troy State University system has recently completed its ten-year SACS accreditation visit. The SACS team completed the review on April 10, 2003, with only 13 “recommendations” for the school with a Troy, AL campus of 5,500 students primarily in undergraduate programs, three separate major colleges in Dothan, Montgomery, and Phenix City, and the widely distributed University College overseas and regional US sites.

In applying accreditation of business programs by the AACSB as a measurement of quality, only 10 of the 34 four-year institutions of higher learning in South Carolina have AACSB accreditation (source: [www.aacsb.edu](http://www.aacsb.edu)). The Commission licenses two other institutions (Webster University and South University) that offer business programs that are not AACSB-accredited. The 10 AACSB-accredited programs are at public institutions; Lander is seeking accreditation. None of the business programs offered at the licensing-exempt private institutions in the state are AACSB accredited. Specialized programmatic accreditation is not a criterion for licensure under current licensing regulations.

At the request of the University, TSU’s candidacy for accreditation by AACSB has been extended. AACSB candidacy is pending due to a major restructuring of the University. The TSU System currently consists of three separately SACS-accredited campuses. Based on a plan approved by the University Board of Trustees, the three campuses will become one accredited university under the new structure in 2005, at which time the AACSB candidacy will move forward. The Sorrell College of Business holds specialized accreditation for its business programs awarded by the Association of Collegiate Business Schools and Programs (ACBSP), another accrediting agency recognized by the Council on Higher Education Accreditation (CHEA).

TSU makes available sufficient learning resources to support the courses and degrees offered. Library services are provided through local and other resources. The TSU Library System has subscriptions to nearly 70 databases that offer remote access. These include INFOTRAC (including General Business File and Business and Company Resources), PROQUEST (including ABI Inform Global – which some consider the premier business database), EBSCOHost (including Business Source Premier and Business Wire News) and EMERALD LIBRARY (about 100 business management journals in Full text). Access is also provided to NetLibrary, a collection of nearly 30,000 electronic books including everything published by the American Management Association since 2001. Each student receives a comprehensive library resource book that describes the procedures to access TSU online resources, interlibrary loan, local library support, Internet hints, computer safeguards, and directions on citations.

The TSU Southeast Regional office has a web site which links to the TSU Main Campus, faculty web sites, and the TSU on-line library. TSU uploads syllabi and handouts to the Southeast Region web site. The Sumter County Library offers a collection of over 110,000 books, journals, and media. The reference collection consists of over 3,500 titles. This library is available free to local residents and to non-residents for \$5 per year. A valid Sumter County Library Card and picture I.D. allow access and borrower privileges for the USC-Sumter library at which there is an excellent collection of college business materials.

The primary purpose of licensing is consumer protection, not protection of existing public or private state institutions or the prevention of duplication. Licensure indicates that minimum standards have been met. The licensing standards have been revised three times in the last five years so that they are closely aligned with SACS accreditation standards. The changes that became effective on February 25, 2003, strengthened the requirements for faculty and staff credentials, curricula structure, admissions, review and evaluation, and increased initial and renewal fees.

The licensing authority, in this case CHE, serves as a local advocate for students who enroll in the institutions to ensure that they are not subjected to predatory or other unethical practices and to ensure a “truth in advertising” integrity to what is proposed and what is delivered. The staff distributed an outline of the licensing criteria with the May 16, 2003, edition of the “Information Bulletin for Commissioners.”

Duplication and competition issues are considerations for programs offered at public institutions because of the responsibility of investing South Carolina tax dollars; however, the Sherman Antitrust Act of July 2, 1890, 26 Stat. 209, as amended, 15 U.S.C., declares that “Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States...” is illegal. The

U.S. Congress passed The Clayton Antitrust Act, 1914, an amendment to strengthen, clarify, and supplement the Sherman Antitrust Act. Antitrust laws are intended to ensure open and fair competition by preventing persons or entities from engaging in monopolistic conduct or anticompetitive conspiracies, thereby ensuring that consumers have access to the best mix of goods and services for the best possible price. Federal antitrust laws prohibit “monopolization, attempted monopolization” and contracts, combinations and conspiracies in restraint of trade.

The Committee must make a determination as to whether TSU complies with the requirements for licensure. TSU has made an appeal to the Committee and to the Commission not to use unfair discriminatory standards against TSU or this particular program that are not applied in evaluating programs at all other colleges and universities subject to the licensing authority of the Commission.

### **Recommendation**

The Committee on Academic Affairs and Licensing will make its recommendation to the Commission following its meeting at 9:30 A.M. on June 5.